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## EXTENDED WARRANTY TERMS AND CONDITIONS

### SELEX ES INC. ELSAG ALPR SYSTEMS

#### LIMITED HARDWARE WARRANTY COVERAGE

Selex ES Inc. ("Selex") warrants this Hardware Product against defects in design, materials, and workmanship under normal use in accordance with the specifications and documentation for the agreed upon "Warranty Period". The Warranty Period shall commence with the initial installation of the product, or according to the terms of an associated Purchase or Sales Order for Extended Coverage.

If a hardware defect arises and a valid claim is received within the Warranty Period, at its option and to the extent permitted by law, Selex will either (1) repair the hardware defect at no charge using new or refurbished replacement parts, or (2) exchange the product for a new or refurbished Product of equivalent function, at its sole discretion.

#### EXCLUSIONS AND LIMITATIONS TO THE HARDWARE WARRANTY

Selex does not warrant that the operation of the Product will be uninterrupted or error free.

This Warranty excludes all of the following:

- a) errors or defects resulting from service by persons or entities other than Selex, errors or defects caused by modifications to the Product (including upgrades and repairs) by someone other than Selex, or a Selex Authorized Service Provider;
- b) any Product which has been breached or opened (camera and trunk box/processing unit) by someone other than Selex or a Selex Authorized Service Provider;
- c) compatibility with third-party hardware or software environments and errors in such environments such as may be caused by the installation or use of Selex Products;
- d) pre-existing conditions in the installation environment or vehicle, including those that may prevent proper operation of Selex Products (e.g. network connectivity problems);
- e) to damage resulting from accident, abuse, misuse, or introduction of foreign materials into the Product;
- f) products that have been repaired or modified by anyone other than Selex or its Authorized Service Provider;
- g) any and all damages resulting from failure to follow the manufacturer's instructions;
- h) third-party actions (i.e., fire, collision, vandalism, theft, hardware or software removal);
- i) loss or damage due to any event beyond Selex's reasonable control ("Force Majeure Event") including, but not limited to power surges or outages; terrorism; labor disputes; war; acts of God (flood, earthquake, climatic events);
- j) damages from battery leakage or from improper use of or connection to any electrical source;
- k) cosmetic or non-critical defects of the case or frame of the Product or of any non-operating parts, including decorative parts;
- l) damage to the Product covered by an insurance policy (in such a case, this Warranty will cover any portion of an applicable deductible that applies to repair or replacement of the covered Product(s), subject to the terms of coverage and exclusions set forth herein);
- m) preventative or routine maintenance; reinstallation of hardware or software, except as a result of a defect; normal software administration;
- n) modifications to hotlist or hotlist-related scripts;
- o) any damage which is not reported during the Term of this Warranty;
- p) costs associated with the installation, removal, or reinstallation of the Product, including, but not limited to, road closures, permits, escorts, equipment rental;
- q) consumable parts, such as batteries and cables;
- r) camera lens glass breakage due to impact or vandalism.

TO THE EXTENT PERMITTED BY LAW, THIS WARRANTY AND REMEDIES SET FORTH ABOVE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, REMEDIES AND CONDITIONS, WHETHER ORAL OR WRITTEN, STATUTORY, EXPRESS OR IMPLIED. AS PERMITTED BY APPLICABLE LAW, SELEX SPECIFICALLY DISCLAIMS ANY AND ALL STATUTORY OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES AGAINST HIDDEN OR LATENT DEFECTS. IF SELEX CANNOT LAWFULLY DISCLAIM STATUTORY OR IMPLIED WARRANTIES THEN TO THE EXTENT PERMITTED BY LAW, ALL SUCH WARRANTIES SHALL BE LIMITED IN DURATION TO THE DURATION OF THIS EXPRESS WARRANTY AND TO REPAIR OR REPLACEMENT SERVICE AS DETERMINED BY SELEX IN ITS SOLE DISCRETION.

No Selex reseller, agent or employee is authorized to make any modification, extension, or addition to this warranty. If any term is held to be illegal or unenforceable, the legality or enforceability of the remaining terms shall not be affected or impaired.

Selex's maximum liability under this Warranty, whether in contract, tort (including negligence or strict liability), or otherwise, shall be the cost of repair or replacement of the affected Products.

EXCEPT AS PROVIDED IN THIS WARRANTY AND TO THE EXTENT PROVIDED BY LAW, SELEX ES IS NOT RESPONSIBLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY BREACH OF WARRANTY OR CONDITION, OR UNDER ANY OTHER LEGAL THEORY IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, INCLUDING BUT NOT LIMITED TO LOSS OF USE; LOSS OF REVENUE; LOSS OF ACTUAL OR ANTICIPATED PROFITS (INCLUDING LOSS OF PROFITS ON CONTRACTS); LOSS OF THE USE OF MONEY; LOSS OF ANTICIPATED SAVINGS; LOSS OF BUSINESS; LOSS OF OPPORTUNITY; LOSS OF GOODWILL; LOSS OF REPUTATION; LOSS OF DATA, WHETHER OR NOT SELEX IS OR HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES.

For technical support or to arrange for service on your ELSAG product, call our toll-free 24-hour hotline at 1-866-9MPH900.

#### RETURN & RESTOCKING POLICY

Selex takes our client satisfaction very seriously. We understand that, at times, clients may not be completely satisfied with their purchase of our products. We will accept returns under the following conditions:

- The customer is to call ELSAG Support at 866-967-4900 to request a Return Authorization Number.
- The returned equipment must be shipped back to Selex within 14 days of the Return Authorization Number request.
- New, unopened systems (if shipped within 60 days) can be returned. A 10% restocking fee will be charged.
- Lightly used systems in excellent physical condition (if shipped within the last 120 days) can be returned. A 25% restocking fee will be charged. Used systems with light physical wear (if shipped within the last 120 days) can be returned. A 35% restocking fee will be charged.
- Refunds will be applied against the outstanding balance upon receipt of payment (if there is an outstanding balance).
- Returned equipment shipped at customer expense.
- Damaged equipment may not be returned.

## SELEX ES INC. ELSAG ALPR SYSTEMS

### LIMITED SOFTWARE WARRANTY COVERAGE

(a) Selex ES Inc. ("Licensor") warrants that the Software, without Modifications, will substantially conform to the Related Materials for the agreed upon Warranty Period. Licensor does not warrant that Licensee's use of the Software and Related Materials will be uninterrupted or that the operation of the Software will be error-free or secure and hereby disclaims any and all liability on account thereof.

(b) If a Software defect arises and a valid claim is received within the Warranty Period, Licensor's entire liability and Licensee's exclusive remedy shall, at Licensor's discretion, be one of the following:

- (i) Licensor may attempt to correct or work around Errors;
- (ii) Licensor may replace the Software and Related Materials;
- (iii) Licensor may refund to Licensee the license fees, or part thereof, paid to Licensor upon return of the Software and Related Materials to Licensor or its authorized distributor.

**(c) THIS IS A LIMITED WARRANTY AND IT IS THE ONLY WARRANTY OR CONDITION MADE BY LICENSOR. LICENSOR EXPRESSLY DISCLAIMS TO THE FULLEST EXTENT POSSIBLE BY LAW ALL OTHER WARRANTIES, EITHER EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SOFTWARE AND RELATED MATERIALS. NO DEALER, AGENT, OR EMPLOYEE OF LICENSOR IS AUTHORIZED TO MAKE ANY MODIFICATIONS, EXTENSIONS OR ADDITIONS TO THIS LIMITED WARRANTY.**

If the media containing the Software is subject to accident, abuse, or improper use, or if Licensee makes any prohibited modifications to the Software during the warranty period, or if Licensee violates any term of this Warranty, then this warranty shall immediately and automatically terminate. This warranty shall not apply if the Software is used on or in conjunction with hardware or software other than which the Software has been designed or from what the Licensor has recommended.

### UPDATES AND UPGRADES

For the purposes of this Warranty coverage, an "update" is defined as an incremental software fix to a current software version, whereas an "upgrade" is defined as the release of a newer software version containing substantive functionality changes.

Provided that Licensee is in compliance with the terms and conditions of the License Agreement, Licensor agrees to make available to Licensee all updates, upgrades, improvements, and enhancements for the Software, if any, at no charge for the Warranty Period described above and then at the then updated fee schedule thereafter. Nothing herein shall be construed or interpreted as requiring Licensor to develop any such upgrades, updates, improvements or enhancements. Licensee must remain in warranty coverage to receive the upgrades and updates. Lapse in warranty coverage will terminate Licensor's obligation to provide updates and upgrades. Software upgrades may result in additional service fees.

### EXCLUSIONS AND LIMITATIONS TO THE SOFTWARE WARRANTY

**This warranty does not apply to: (a) costs associated with the installation of the software; (b) incompatibility with other software; (c) user access restrictions; or (d) patches to existing software versions when a newer version is available.**

### SERVICE AGREEMENT TERMS AND CONDITIONS.

- 1. General.** These general terms and conditions shall apply to all service provided to Customer by Selex ES Inc. Additional terms and conditions governing particular service options or programs may be set forth on a supplement provided by Selex to Customer ("Supplement"). Customer's submission of a purchase order or acceptance of service shall be deemed acceptance of these General Terms and Conditions and those set forth on applicable Supplements to the exclusion of any additional or different terms or conditions on Customer's purchase order, even if such order is expressly made conditional on Selex's assent to such additional or different terms.
- 2. Agents.** Selex may appoint third parties to act as its agents in performance of its service obligations under this Service Agreement. All references herein to Selex shall be deemed to include such agents of Selex.
- 3. Term.** The effective date of the term of software service coverage shall commence with the initial installation of the product, or according to the terms of an associated Purchase or Sales Order for Extended Coverage.
- 4. Telephone Support and Remote Diagnosis.** To ensure that the product is repaired as quickly and efficiently as possible, Customer must work cooperatively with Selex Telephone Support to attempt to repair the product remotely upon their request. Such remote access may require that Customer establish an Internet connection, and to enable connectivity via services used by Selex such as LogMeIn Rescue, or a mutually agreed upon means of connectivity. If remote diagnosis and repair are not possible, the equipment may be returned to Selex for factory diagnosis and repair, or Selex may dispatch a technician to the site for an additional fee at Customer's request.
- 5. Shipping.** For the repair or replacement of hardware under Warranty, Selex agrees to pay related shipping costs, including any insurance coverage.
- 6. Indemnity.** Selex shall indemnify and hold Customer harmless from and against any claim of injury or damage to property to the extent it is caused by the negligent or wrongful acts or omissions of Selex while on Customer's premises.
- 7. Confidentiality.** Selex recognizes that during the performance of service hereunder, Selex may be exposed to information of a confidential nature relating to the business of Customer. Selex agrees to hold such information in confidence for Customer to the same extent Selex provides for its own information and not to disclose such information to any other party without the prior written consent of Customer.
- 8. LIMITATION OF LIABILITY. IN NO EVENT SHALL SELEX BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF SERVICE PROVIDED HEREUNDER, EVEN IF SELEX HAS ADVANCE NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.**
- 9. Waiver.** Failure of either party to enforce any provision of this Agreement shall not be deemed a waiver of future enforcement of that or any other provision.
- 10. Assignment.** Customer may not assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of Selex.
- 11. Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina without regard to the conflict of laws provisions. Any action under or relating to this Agreement shall be brought solely in the state and federal courts located in Greensboro, North Carolina. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.
- 12. Replacement Parts.** In the maintenance of any product, Selex may use new, or equivalent to new, parts or assemblies for equal or improved quality. All defective parts and assemblies become the property of Selex. Selex, at its option, may request the return of these parts.
- 13. Coverage Eligibility.** Products that have been continuously covered by a Selex Warranty are eligible for immediate coverage under this Agreement. Other products will be eligible for coverage only if they meet Selex's specifications. At Customer's request, Selex may bring the product up to specification at Selex's then current rates for parts, labor and travel so that the product will be eligible for coverage.
- 14. Fees.** Fees for service, if not covered by purchase contract or warranty, shall be as stated in a quotation and shall apply only to the products specified therein.
- 15. Taxes.** Service fees are exclusive of all state/provincial and local sales, use, excise, privilege and similar taxes. Such taxes shall be paid by the Customer, unless a valid exemption certificate is furnished by Customer.
- 16. Invoices and Payment.** Customer shall pay amounts invoiced within 30 days from the date of invoice, unless invoice specifies otherwise. Selex may withhold service if Customer fails to make any payment when due.
- 17. Lawyer's Fees.** If litigation or collection is commenced to enforce any provision of this Agreement, the prevailing party shall be entitled to recover reasonable costs, including lawyer fees and collection costs.